

**IOWA FINANCE AUTHORITY  
BOARD MEETING MINUTES**

**Iowa Historical Building  
600 E. Locust Street  
Des Moines, Iowa**

**April 4, 2007**

**BOARD MEMBERS PRESENT**

Vince Lintz, Chair	Virginia Bordwell
Kay Anderson, Vice Chair	Roger Caudron
Steven Adams (via telephone)	Heather Kramer

**STAFF MEMBERS PRESENT**

Bret Mills, Executive Director	Loyd Ogle, Director of Title Guaranty Division
Lori Beary, Community Development Director	Carla Pope, Director of Affordable Rental Production
Mickey Carlson, Single-Family Program Manager	James Smith, Deputy Director/CFO
Steven Harvey, Director of Operations	Mark Thompson, General Counsel
Tim Morlan, Underwriter	Nancy Wallis, Administrative Assistant

**OTHERS PRESENT**

Erin Andrew – Office of Governor Culver	Jina Lilly – State Treasurer’s Office
Kristi Boyce – Wells Fargo Bank Iowa, NA	Carolyn Olson – Fort Dodge Housing Agency
Jim Conlin – Conlin Properties	Joe Whitsett - Pedcor
David Grossklaus – Dorsey & Whitney Law Firm	

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**CALL TO ORDER**

Chair Lintz called to order the April 4, 2007, regular meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:03 a.m. Roll call was taken and a quorum was established with the following members present: Lintz, Adams, Bordwell, Caudron and Kramer.

**REVIEW AND APPROVAL OF MINUTES**

**March 14, 2007**

Chair Lintz introduced the minutes of the March 14, 2007, regular meeting of the IFA Board of Directors.

**MOTION:** On a motion by Ms. Bordwell and a second by Mr. Caudron, the Board unanimously approved the minutes of the March 14, 2007, Board meeting.

## **ADMINISTRATION / MANAGEMENT REPORT**

### **Resolution - Recognition of Dick Wright**

Mr. Mills read the resolution honoring Mr. Dick Wright for his years of service to the IFA Board and to the citizens of Iowa. Because Mr. Wright was not able to attend the meeting, Chair Lintz will present the resolution and a plaque to Mr. Wright at his home.

**MOTION:** On a motion by Mr. Adams and a second by Mr. Caudron, the Board unanimously approved the resolution honoring Mr. Wright for his years of service to the Iowa Finance Authority, its Board of Directors and the citizens of Iowa.

### **Summary & Overview**

Mr. Mills announced that IFA's rewrite of Chapter 16 of the Iowa Code passed both the House and Senate unanimously, and is awaiting the Governor's signature. He also reported that IFA is working with area high schools, community colleges and the Department of Education to promote an affordable housing building trades program through which high school students will earn college credits from a local community college as they learn to build affordable housing.

Mr. Mills summarized issues being discussed by IFA staff and others dealing with predatory lending in Iowa, funding for the State Housing Trust Fund, federal arbitrage legislation, and IFA's application for HUD risk-sharing.

Mr. Mills then introduced Ms. Erin Andrew who is IFA's liaison to Governor Culver's office.

## **LEGAL / REGULATORY**

### **Report on Low-Income Housing Tax Credit Appeals**

Mr. Thompson reported that IFA received appeals from two developers for six tax credit applications that did not receive funding in the 2007 round. He said Sherman Associates filed an appeal for the Metro Lofts project, which was denied funding on the basis of not meeting threshold. Mr. Thompson also noted that Community Housing Initiatives filed appeals on five projects, four that were denied funding based on not meeting threshold and one that did not score high enough to receive credits. He stated that IFA is working with the Attorney General's office on the appeals, and that the appeals have been referred to the Department of Inspections and Appeals for the administrative appeals process.

## **FINANCE AND ACCOUNTING**

### **Review of Financial Statement**

Mr. Harvey reported IFA is on or under budget on expenses, and above budget on revenue because of the military homeownership benefit funding IFA received.

### **Approval of February 2007 Financial Statement**

**MOTION:** On a motion by Mr. Adams and a second by Ms. Kramer, the Board unanimously approved the February 2007 Financial Statements.

Mr. Harvey also reported that the remodeling process on IFA's lower level has begun and is progressing on schedule. He said the new sign and a flagpole have been ordered.

## **ECONOMIC DEVELOPMENT LOAN PROGRAM**

### **ED Loan #07-11, KI&I, Galbraith, LLC Project**

Ms. Beary introduced an application and inducement resolution for \$60,000,000 of Iowa Finance Authority Solid Waste Facility Revenue Bonds for the KI&I, Galbraith, LLC Project near Lu Verne, Kossuth County. She explained that the bonds will be used for the construction of certain portions of an ethanol plant dealing with the processing of a waste product, whole stillage, into distillers dry grains with solubles (DDGS), a marketable product. Ms. Beary said the entire cost of the ethanol plant will be approximately \$190,000,000. She noted the project will require Private Activity Bond Cap.

### **RESOLUTION #07-11A**

**MOTION:** Mr. Caudron made a motion to approve an application for \$60,000,000 of Iowa Finance Authority Solid Waste Facility Revenue Bonds (KI&I, Galbraith LLC Project), Series 2007, for KI&I, Galbraith LLC (the “Borrower”), and evidencing the intent to proceed with the issuance of \$60,000,000 Solid Waste Facility Revenue Bonds. On a second by Ms. Bordwell, the Board unanimously approved Resolution #07-11A.

### **ED Loan #06-10, Oval Acquisitions, LLC (Windsor Windows) Project**

Ms. Beary asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$5,500,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds for the Oval Acquisitions, LLC Project in West Des Moines. She said the bonds will be used to construct and equip a manufacturing facility consisting of 103,000 square feet, to be leased to Windsor Windows for the production of vinyl windows and doors. Ms. Beary noted the project will require Private Activity Bond Cap.

**Public Hearing:** Chair Lintz opened the public hearing at 11:23 a.m. regarding the issuance of an amount not to exceed \$5,500,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds for the Oval Acquisitions, LLC Project in West Des Moines. Ms. Beary said IFA had received no written or verbal comments regarding the project. There being no comments from the audience, Chair Lintz closed the public hearing at 11:24 a.m.

### **ED Loan #07-10, Wedum Walnut Ridge, LLC Project**

Ms. Beary asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$49,000,000 of Iowa Finance Authority Senior Housing Revenue Bonds for the Wedum Walnut Ridge, LLC Project in Clive. She stated the bonds will be used for the construction of a 178-unit senior housing facility consisting of 123 units of independent living, 37 units of assisted living, 18 units of memory care, a wellness center with fitness equipment, pools and training programs for seniors. Ms. Beary said the project will not require Private Activity Bond Cap.

**Public Hearing:** Chair Lintz opened a public hearing at 11:25 a.m. regarding the issuance of an amount not to exceed \$49,000,000 of Iowa Finance Authority Senior Housing Revenue Bonds for the Wedum Walnut Ridge, LLC Project in Clive. Ms. Beary said IFA had received no written or verbal comments regarding the project. There being no comments from the audience, Chair Lintz closed the public hearing at 11:26 a.m.

Ms. Beary introduced an authorizing resolution for \$49,000,000 of Iowa Finance Authority Senior Housing Revenue Bonds for the Wedum Walnut Ridge, LLC Project in Clive. She stated the Board approved the application and inducement resolution at the March 14, 2007, Board meeting.

#### RESOLUTION # 07-10B

MOTION: Mr. Adams made a motion to approve a resolution authorizing the issuance of not to exceed \$49,000,000 of Iowa Finance Authority Senior Housing Revenue Bonds (Wedum Walnut Ridge, LLC Project), Series 2007, in one or more series, for the purpose of making a loan to assist the borrower in the acquisition, construction and equipping of a project; authorizing the execution and delivery of certain financing documents pertaining to the project; authorizing an assignment of certain financing documents for further securing the payment of the bonds; authorizing the sale of the bonds; authorizing the appointment of a trustee; and related matters. On a second by Ms. Bordwell, the Board unanimously approved Resolution #07-10B.

#### **ED Loan #07-06, Deerfield Retirement Community Project**

Ms. Beary introduced a resolution authorizing the execution of a bond purchase agreement for \$50,000,000 of Iowa Finance Authority Retirement Community Revenue and Refunding Bonds for the Deerfield Retirement Community Project in Urbandale, for the purpose of refinancing the existing Series 2003 debt. She stated the Board approved the inducement resolution on March 14, 2007, and that the public hearing and authorizing resolution will be considered at the May 2, 2007, Board meeting. Ms. Beary explained that the Borrower would like to price the bonds prior to the May meeting due to concern about rising interest rates. She said this resolution authorizes the execution of a bond purchase agreement conditioned on the adoption of the authorizing resolution at the May meeting. Ms. Beary noted that the project will not require Private Activity Bond Cap.

#### RESOLUTION #07-06B

MOTION: Ms. Bordwell made a motion to approve a resolution authorizing the execution of a Bond Purchase Agreement in connection with the issuance of not to exceed \$50,000,000 Iowa Finance Authority Senior Living Facility Revenue Refunding Bonds (Deerfield Retirement Community, Inc.), Series 2007. On a second by Mr. Caudron, the Board unanimously approved Resolution #07-06B.

### **STATE REVOLVING FUND PROGRAM**

#### **Planning and Design Loan Resolution**

Ms. Beary introduced a resolution to approve Planning and Design Loans for the cities of Sergeant Bluff, Dallas Center and Maysville. She said the loans will be at 0 percent interest for up to three years, with the funds to be used for the planning and design phases of wastewater and drinking water infrastructure projects. Ms. Beary reported that the total for these projects is \$168,000. She noted that with the adoption of this resolution, IFA will have approved Planning and Design Loans for 108 projects totaling \$24,995,494.

MOTION: On a motion by Ms. Anderson and a second by Ms. Kramer, the Board unanimously approved the Planning and Design Loan Resolution.

### **HOUSING PROGRAMS**

#### **Single-Family Housing Programs**

Ms. Carlson announced that there had been a slight drop in volume during March, probably related to a drop in home purchases in general. She also reported that IFA has begun disbursing funds for the Military Service Member Homeownership Assistance Program.

#### Resolution – NewHome Construction Loan to Fort Dodge Housing Agency

Ms. Carlson introduced a resolution for a loan to Fort Dodge Housing Agency in the amount of \$180,000 to construct two 2-bedroom single-family homes for low- to moderate-income households. She said the agency will utilize inmates from the Rockwell Correction Center, which is a minimum-security facility, and pass on the cost savings to the homebuyers.

MOTION: On a motion by Ms. Kramer and a second by Mr. Adams, the Board unanimously approved the NewHome Construction Loan to Fort Dodge Housing Agency.

#### Resolution – Single-Family Purchase Price and Income Limits

Ms. Carlson introduced a resolution setting purchase price and income limits for IFA's FirstHome Program. She said the purchase price and income limits are calculated based on determinations by HUD and the IRS, and that Dorsey & Whitney LLP has approved the use of the proposed limits.

MOTION: On a motion by Ms. Bordwell and a second by Mr. Adams, the Board unanimously approved the resolution setting the FirstHome Program purchase price and income limits as set forth on Exhibit A and Exhibit B of the resolution, and approving the use of 80 percent of the statewide median income as the income limit applicable to the FirstHome Plus Program.

#### Multifamily Housing Programs

##### Presentation by Pedcor Representative re: Multifamily Loan

Mr. Morlan reported that IFA staff tentatively plans to present the Board with a resolution in May or June recommending a loan for \$12,700,000 for a project in Davenport proposed by Pedcor.

Mr. Smith introduced Mr. Joe Whitsett from Pedcor and asked Mr. Whitsett to tell about himself and the company he represents. Mr. Whitsett explained that Pedcor is interested in developing, constructing and managing a mixed-income complex in Davenport. He reported that the first phase will be all low-income units targeting a population at 60 percent of the area median income. Mr. Whitsett said the second phase will be market-rate units, but all units will be identical and share the same amenities. Using a Power Point presentation he briefly presented details about Pedcor, showed one of their oldest properties and told about the proposed project in Davenport.

### **LEGISLATIVE**

Mr. Mills reported that Mr. Jones was at the capitol preparing for IFA's legislative event, serving funnel cakes for funnel week from 1:00 – 4:00 p.m.

Mr. Mills briefly summarized relevant legislation based on the report in the Board packet.

### **TITLE GUARANTY DIVISION (TGD)**

Mr. Ogle announced that on April 1, 2007, TGD began offering a free Owner's Certificate with each Lender's Certificate issued. He also reported that plans are progressing in establishing a full-service competitive commercial department within TGD.

Mr. Ogle reported that the number of attorneys issuing Certificates online has increased from 30 to 130. He noted that in July 2006, TGD staff members were issuing approximately 60 percent of the Certificates, while attorneys issued only 40 percent. He stated that attorneys using the online

system are now issuing 75 percent of the Certificates, while TG staff members are issuing 25 percent.

## **COMMUNICATIONS**

Mr. Mills referred to the information in the Board packet, and said that Ms. Lode was working at the capitol in preparation for IFA's funnel cake reception.

## **MISCELLANEOUS ITEMS**

### **Receive Comments from General Public**

Chair Lintz opened the public comment period and asked if anyone in the audience would like to address the Board.

There being no audience members wishing to address the Board, Chair Lintz closed the public comment period.

Ms. Anderson reported that she has begun making plans for the September Board meeting she will host in Le Mars. She distributed a tentative agenda and said she would notify the Board as further arrangements were finalized.

## **ADJOURNMENT**

Chair Lintz announced that the next IFA Board meeting would convene at 10:45 a.m. on Wednesday, May 2, 2007, in Classrooms A & B of the Iowa Historical Building located at 600 E. Locust Street in Des Moines.

There being no further business, on a motion by Mr. Adams and a second by Mr. Caudron, the April 4, 2007, meeting of the IFA Board of Directors adjourned at 11:55 a.m.

Dated this 2<sup>nd</sup> day of May 2007.

Respectfully submitted:

Approved as to form:

Bret L. Mills  
Executive Director  
Iowa Finance Authority

Vincent C. Lintz, Chair  
Iowa Finance Authority